



# Rebuilding the Global Economy

*A series outlining policy priorities and solutions*

MEMORANDUM ON

## TRADE POLICY PRIORITIES FOR 2021

**To: Chairs and Ranking Members of House and Senate Subcommittees on Trade**  
**From: Gary Clyde Hufbauer**  
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**Background:** Article I section 8 of the Constitution assigns Congress the power to regulate commerce with foreign nations. Over the past century, however, Congress has enacted more than a dozen statutes that delegate its constitutional power to the president. Recent presidential abuses of trade statutes through President Donald Trump’s unilateral trade actions, invoking executive orders and presidential proclamations, which outnumber those of any previous president in recent history, indicate it is time to redress executive overreach in foreign commerce and involve Congress more closely in trade policy decisions.

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### Number of executive orders and presidential proclamations issued during the first term



Source: Federal Register.

### PRIORITY 1: Reclaim congressional oversight of trade policy

- Amending individual statutes like Section 232 of the 1962 Trade Act, Section 301 of the 1974 Trade Act, and the International Emergency Economic Powers Act of 1977 would be a lengthy process. Instead, Congress should enact an **umbrella oversight law**.

### PRIORITY 2: Raise the American profile in the Asia-Pacific region

- The United States should increase its presence in the Asia-Pacific region to participate in the region’s fast-growing economies and to provide an alternative to Chinese domination.

**PRIORITY 3: Engage with the World Trade Organization (WTO) and address new issues**

- The WTO provides the framework for US trade relations with more than a hundred countries that do not have bilateral agreements with the United States. While the old WTO rulebook remains in place, the dysfunctional WTO Appellate Body means there is no practical method to resolve disputes. Meanwhile negotiations to update the rulebook are largely frozen as 164 members search for elusive common ground.

**ACTIONABLE TO-DO LIST:**

- Pass the Trade Security Act of 2019 ([S.365](#)) and/or the Global Trade Accountability Act of 2019 ([H.R.723](#)) to enact an oversight law specifying the following:
  - » Presidential trade actions taken under the delegated powers of existing statutes must be ratified by Congress within a short period of time. Unless ratified by majority vote in both houses, the presidential actions would lapse.
  - » The president must consult with trade subcommittees before issuing new executive orders, even for national emergency or national security trade restrictions.
  - » Tariffs implemented by executive order during the past four years must be ratified by Congress. If ratification is not forthcoming within 90 days, those tariffs should expire.
- Renew Trade Promotion Authority (which expires on July 1, 2021) and close an existing loophole from past renewals to ensure that congressional notification and approval is required for all trade agreements that necessitate US regulatory and/or legislative changes, not just agreements with legislative changes.
- Use the renewed Trade Promotion Authority to:
  - » work with Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) countries to enumerate amendments that would allow the United States to join the pact;
  - » allow the United Kingdom to join the US-Mexico-Canada agreement (USMCA);
  - » indicate congressional priorities for countries to target for trade agreements;
  - » call on trade agreement partners to establish meaningful labor, environmental, and human rights standards; and
  - » provide a “bill of particulars” for WTO Appellate Body reform.
- Work with WTO member countries to establish “clubs” within the WTO framework for subsets of members that can agree on rules in different domains, i.e. on fishery subsidies, business services, ecommerce, carbon emissions, technology transfers, or state-owned enterprises.